

# WDD YOUTH PROVIDER HANDBOOK

## CHAPTER 9

### Fiscal

#### Overview

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**Introduction** This chapter outlines the fiscal requirements regarding the Workforce Innovation and Opportunity Act (WIOA) Youth program and the expectations for the contracted Youth Providers.

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**References** Each Youth Provider is awarded a WIOA contract for administering the Youth program. The signed contract outlines the requirements for:

- Submitting monthly invoices
  - Budgets
  - Workbooks to be completed
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**In this section** This section contains the following topics:

Topic	See Page
Overview	9-1
Youth Provider Contracts	9-2
Invoice Requirements	9-3
Expenditures	9-9
Provider Contract Close-out	9-12

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# Youth Provider Contracts

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<b>Introduction</b>	Workforce Innovation and Opportunity Act (WIOA) Title I Youth Program is designed to help young people overcome obstacles that keep them from completing their education and employment goals. The Workforce Development Department (WDD) out-sources the WIOA Youth Program to organizations within San Bernardino County. This chapter provides information about the process and contract requirements.
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<b>Request for Proposal (RFP)</b>	A Request for Proposal (RFP) is a document issued by the County when it seeks equipment or services which describes what is sought and certain terms and conditions for providing the service. The RFP is used to obtain complex services in which professional expertise is needed and may vary and/or where different methods and approaches may be applied during performance.
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WDD utilizes the RFP periodically to procure for providers who offer WIOA services to the youth population within San Bernardino County.

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<b>Aggregate contract</b>	WDD utilizes a maximum amount for Youth services, based on San Bernardino County's Aggregate Maximum Obligation, which varies based on WIOA funding. The contracted Youth Providers understand and agree that reimbursement will only be a fraction of this aggregate maximum, with the appropriate authorization from Local Workforce Development Board (LWDB).
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The total compensation to be paid to Service Provider and all other contract providers of WIOA services shall not exceed County's Aggregate Maximum Obligation. WDD will issue an annual letter to the Youth Providers letting them know of their planning estimate for the year. Quarterly, spending will be reviewed and adjustments between providers may be made. Additionally, if there is a change in the percentage of youth across Public Use Microdata Areas (PUMAs), an adjustment may be made to ensure the funding is available where the disconnected youth are.

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# Invoice Requirements

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## Introduction

Monthly invoices are required to be submitted to the Workforce Development Department (WDD) Youth Staff Analyst to track the Youth Providers expenditures via hard copy or electronic invoice as specified by WDD. The expenditures are based on:

- Administrative costs,
- Youth Participation,
- Work Experience, and
- Program costs.

**Note:** Incomplete invoices and/or workbooks will be returned for corrections and may cause a delay with payment. Refer to the Workbook block in this chapter for additional information.

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## Uniform Grant Guidance (UGG)

The Office of Management and Budget (OMB) primary function is to oversee the development and implementation of the federal budget. The Uniform Grant Guidance (UGG) is an authoritative set of rules and requirements for Federal awards from the OMB.

The OMB UGG 2 Code of Federal Regulations (CFR) Part 200 and 2900 are the requirements WDD follows, and all Federal Grant Sub-recipients must comply with UGG (Link to UGG: <http://www.ecfr.gov>):

- Subpart A – Acronyms & Definitions
  - Subpart B – General Provisions
  - Subpart C – Pre-Award - Federal
  - Subpart D – Post Award – Recipients/Internal Controls
  - Subpart E – Cost Principles
  - Subpart F – Audit Requirements
  - 11 Appendices (I-XI)
  - CFR Subtitle B, 2900
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## Internal controls

Youth Providers are required to have written Internal Controls system and provide reasonable assurance in the following categories:

- Effective and efficient operations
- Reliability of internal and external reporting/claims
- Compliance with laws and regulations

Youth Providers are required to follow their written internal controls system policies and the effective Internal Control elements:

- Are cost-effective
- Safeguard assets
- Adhere to organization's policies/procedures
- Promote operational efficiency

**References:** 2 CFR 200.400, 2 CFR 200.303, 2 CFR 200.61, 2 CFR 200.62

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## Invoice Requirements, Continued

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### Financial regulations

Other guidance requirements Youth Providers must follow are:

- Employment and Training Administration (ETA)
  - State Workforce Innovation and Opportunity Act (WIOA) Program Directives
  - Generally Accepted Accounting Principles (GAAP)
  - Standards and Guidance by Government Accounting Standards Board (GASB)
  - San Bernardino County Auditor-Controller's Financial Requirements
  - Claim Requirements from the Workforce Development Department
  - Terms and conditions of WDD contract award requirements
  - Follow all applicable laws, including labor laws
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### Fiscal policies and procedures

The Youth Provider is required to have written fiscal policies and procedures that provide information regarding the following:

- Procurement, competition, method for evaluation and selection
- Allowable costs, indirect costs, cash management, Contract
- Compensation, fringe benefits, and employee relocation costs
- Payment, travel, record retention
- Internal control and property/inventory management
- Accounting system, budget controls, and modifications
- Chart of account, receivables, payables, and approvals
- Monitoring, audits, and resolution
- Small purchase process – credit card, petty cash etc.

**References:** 2 CFR 200.302, 305, 318-320, 430, 431, 464, and 474.

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### Types of costs

There are three types of costs Youth Providers need to be aware of:

- Allowable costs: Training, collection of payments, searching/obtaining childcare, etc.
  - Unallowable costs: Entertainment, fines, and penalties, bad debts, and actual childcare costs
  - Allowable costs with conditions: Personnel, rent, conference, childcare costs, other (most costs)
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### Direct cost vs. Indirect costs

The difference between direct costs and indirect costs are:

**Direct costs** – Administrative and program such as direct salaries and wages, applicable fringe benefits, training materials, supplies, travel, and supportive services etc.

**Indirect costs** – Administrative and program such as facilities, utility, Executive Director, auditing fees, payroll, accounting etc.

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## Invoice Requirements, Continued

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**Allowable costs** The allowable costs for WIOA Youth program reimbursable expenditures must be:

1. Necessary, reasonable, and allowable.
2. Allocable (scope of work & benefits received).
3. Allowed by Federal, State, County, and conform to ETA grant guidelines and limitations.
4. Authorized by and conform to the procedural rules adopted by WDD.
5. Allocation Rate must be consistent.
6. Adequately documented (traceable to official source documentations).

**Note:** WIOA funds cannot be used for a donation as an allowable cost. Reference Title 2, Part 200, Subpart E, 200.434.

The purchase, lease, or lease to purchase of fixed assets, equipment, or property, including subcontracted services, using funds provided by WIOA and costing more than \$500, requires advance approval by WDD Youth Staff Analyst along with three (3) competitive written quotes. Request to purchase, lease, or lease to purchase said assets, including subcontracted services must follow the procedural rules adopted by WDD.

Any property, equipment, assets furnished to a Youth Provider by the County and/or purchased by a Youth Provider with funds from WIOA must be used in connection with, and/or support of, WIOA training programs. All purchases must meet State and County procurement guidelines and competitive requirements.

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**Reimbursement claims** Youth Providers will be required to include the following supporting documentation when submitting the monthly reimbursement claims:

- Copies of the general ledger,
  - Funding source generated from the organization's general ledger,
  - Payroll records, and
  - Billing invoices or receipts for costs incurred.
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**Inventory records** WIOA funded assets such as computers, office furniture, equipment, and software etc. must be purchased and kept according to State, County, and contract requirements. Physical inventory count and records must be reconciled at least annually. Disposition or sale of any assets must be pre-approved regardless of the dollar amount by WDD.

Inventory records must be recorded at the time of purchase using the WDD inventory log available at the Youth Portal.

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## Invoice Requirements, Continued

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### Workbook

In addition to the monthly claims, Youth Providers must electronically send the Monthly Expenditure Claim workbook with the monthly expenditures. The workbook must be submitted via email to the WDD Youth Staff Analyst three (3) business days prior to submitting the monthly invoice. The Monthly Expenditure Claim workbook shows the dollar amounts for each line item the Youth Providers spent for the month. The workbook contains the following folders:

- Instructions,
- Invoice,
- Monthly Tracking,
- Expenditure Summary,
- Programs,
- Payroll Summary, and
- Accrual Request Form.

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### Workbook funding sources

Youth Providers must have multiple funding sources so they must allocate costs within organization and department to a specific grant or final cost objectives according to the benefits received by a specific grant. Youth Providers must submit the following documents to WDD:

- Organization/department-wide written cost allocation plan should include Direct and Indirect Costs.
- Indirect cost rate agreement from cognizant agency (if applicable).
- De Minimis Rate – 10% of Modified Total Direct Cost (MTDC).

If any entity needs to apply for an indirect cost rate, he/she must contact the WDD Fiscal Administrative Supervisor I.

The Youth Provider shall submit to WDD for approval an annual Cost Allocation Plan for cost reimbursement contracts. The Plan will explain the allocation method used to distribute allowable direct and indirect costs. Such a Plan will describe the method for the distribution of Allowable Costs to the benefiting/funded program(s) and cost categories using reasonable and equitable distribution methods to ensure each funding source is fairly charged. The Plan will include the process for distributing costs that benefit more than one final cost objective and ensure that costs are equitably distributed to all benefiting activities.

The Cost Allocation Plan must be submitted by the end of July for each Program Year or if new funding is received.

**Reference:** 2 CFR 2900.17, 200.4.

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### MTDC includes

The base to which MTDC indirect costs rates includes is:

- Direct Salary, wages, applicable fringe benefits
- Direct training, materials, supplies, services, travel
- Sub-contract up to the first \$25,000

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## Invoice Requirements, Continued

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**MTDC  
excludes**

The following is a list of MTDC that are excluded:

- Cost of equipment, capital expenditures
- Rental costs, tuition, scholarships, participant support costs and the portion of each sub-contract in excess of \$25,000

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**Program  
income**

Program Income earned and expended by sub-recipients must be reported on the Monthly Expenditure Claim Form to be deducted from the total reimbursement.

Program Income is allowed but must be deducted from the Youth Providers planning estimate so there is no net increase.

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**Administrative  
cost**

Administrative cost is based on the functions and can be direct and/or indirect costs. Administrative cost functions may include, but is not limited to:

- Procurement and/or Property Management
- General legal services
- Cash management and Human Resource personnel management
- Oversight/monitoring of administrative activities
- Accounting, budgeting, cash management, payroll, and financial reporting
- Developing systems and procedures for administrative functions
- Travel, Information Technology (IT), goods and services for administrative functions

**Note:** Costs of negotiating an MOU/contract are excluded from administrative cost. It is the job function not the title that dictates administrative or program cost classification.

**Reference** – 20 CFR 683.215(b) and 2 CFR 683.205(a)(5).

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**Accrual  
requirements**

Accrual requirements is defined as expenditures and revenues that have been incurred but are not yet recorded as revenues or expenditures at the end of the accounting period.

Youth Providers are required to submit the accrued expenditures with details on each monthly claim. The Accrual Request Form is a tab in the excel WIOA Monthly Expenditure Claim workbook (see instructions on the Accrual Request Form)

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## Invoice Requirements, Continued

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### Procurement

Youth Providers procurement requirements are as follows:

- Total purchases/leases of \$500 and above must have:
    - Prior written approval from the WDD Youth Staff Analyst
    - Three (3) competitive quotes are required prior to any approval for purchases/leases
  - Cumulative total of \$1,000 for a fiscal year for a specific category per budget line item requires competitive procurement.
  - Documentation of procurement processes, quotes, and cost-benefit analysis must be kept for auditing purposes.
  - Any prior approvals from past fiscal year must be re-approved and new competitive procurement is required.
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### Records retention

Youth Providers are required to maintain all records for seven (7) years. Records retention consists of the following:

- Financial records
  - Expenditure claim records,
  - Receipts, and
  - Accounting system records and all other required supporting documentation.
- Any unresolved litigation, claim, or audit finding and must be retained until all findings have been resolved and final action taken

Same record retention rules apply to procurement, purchases, and inventory records.

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# Expenditures

<b>Introduction</b>	<p>Expenditure of funds shall be proportionate with the percentage of Participants at any given time during the contract period. The Youth Provider will track and expend Contract funds at an efficient rate to ensure full usage of Contract funds, as indicated in the budget document, for the continuous provision of youth services throughout the term of the Contract.</p> <p>This section provides information regarding expenditures for the youth program.</p>
<b>Expenditures</b>	<p>Allowable expenditures may be counted toward the work experience expenditure requirement and program expenditures on the work experience program element can be more than just wages paid to youth in work experience.</p> <p>Allowable work experience expenditures include the following:</p> <ul style="list-style-type: none"><li>• Wages paid for participation in a work experience,</li><li>• Staff time working to identify and develop a work experience opportunity, including staff time spent working with employers to identify and develop the work experience,</li><li>• Staff time working with employers to ensure a successful work experience, including staff time spent managing the work experience,</li><li>• Staff time spent evaluating the work experience,</li><li>• Participant work experience orientation sessions,</li><li>• Employer work experience orientation sessions,</li><li>• Classroom training or the required academic education component directly related to the work experience,</li><li>• Incentive payments directly tied to the completion of work experience, and</li><li>• Employability skills/job readiness training to prepare youth for a work experience.</li></ul>
<b>Program expenditure prior to participation</b>	<p>There are limited instances where WIOA youth funds may be expended on costs related to individuals who are not yet participants in the WIOA youth program. Youth funds can be expended on outreach and recruitment or assessment for eligibility determination (such as assessing basic skills level) prior to eligibility determination, but they cannot be spent on youth program services, such as the 14 program elements prior to eligibility determination.</p>
<b>Out-of-School expenditure</b>	<p>Not less than 75% of WIOA youth funding must be expended on activities for youth who are classified as Out-of-School youth (OSY) at enrollment.</p> <p><b>Reference:</b> WIOA, section 129(a)(4)</p>
<b>Work-based learning expenditure</b>	<p>At least 20% of WIOA youth expenditures must be expended on work-based learning activities, which include summer employment opportunities and other employment opportunities available throughout the school year, pre-apprenticeship programs, apprenticeship programs, internships and job shadowing, and OJTs. Staff time spent developing, managing, and evaluating work-based learning activities may be included in this 20%.</p>

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## Expenditures, Continued

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**Monthly claims** Youth Providers are required to submit electronic WIOA expenditure claims by the 10th of every month to the WDD Youth Analyst along with all supporting documentation. WDD may request an early submission due to grant closing or fiscal year end process.

Monthly claim package must include the following items:

- Authorized claim form
- Accrual form, if applicable
- Payroll Summary
- WDD Supportive Services Request Form, if applicable
- Supporting documentation for applicable expenditure classifications from “A” through “T” (includes approval email from WDD Staff Analyst for any line expenditure, purchases over \$500 and three quotes, etc.)

The WDD Youth Analyst will review the monthly claims for completeness, accuracy, and reasonable cost before signing off on the claims and submitting to Fiscal for processing.

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**Supporting documentation** Youth Providers will submit supporting documentation for his/her expenditure claims to ensure the cost was necessary, reasonable, and allowable. Youth Providers will:

- Include the current month *posted* General Ledger entries that match the claims for reimbursement.
- Scan each line item separately to clearly identify the expenditure being submitted along with a calculator tape or excel sheet showing the details and the total of the expenditures for each section.
- Include the backup/support documents and receipts/invoices in the order listed on the calculator tape.
- Include any approval emails from WDD Youth Analyst, if applicable.

**Note:** It is at WDD’s discretion to request additional documentation as necessary to provide compliance support for the program.

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**Supplemental funding** WIOA funds should be used to supplement, not supplant, training resources available through Educational Assistance Programs (Title IV). Both WIOA funds and Educational Assistance Funds may be used to pay costs for the same Participant, as long as the Youth Provider can demonstrate that WIOA funds did not duplicate payments from other sources.

This applies to all Federal and State educational assistance grants that may include, but are not limited to:

- Pell Grant,
  - Supplemental Education Opportunity Grant (SEOG),
  - Cal Grant A, B, C, etc.
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# Provider Contract Close-out

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**Introduction** This section will provide guidance regarding the actions the Workforce Development Department (WDD) must take when a Youth Provider contract is going to be closed and requires cases to be transferred to another Youth Provider.

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**Closing Youth Provider contract** When WDD or an existing Youth Provider ends its contract before the designated contract termination date or is not renewed for a new contract, actions need to be taken for closing the contract.

The table below outlines the notification process based on who closes the contract.

Who	Responsibility	Timeline
WDD	<ul style="list-style-type: none"><li>Notifies Youth Provider of the decision to end the contract.</li><li>Ensures all required actions are completed based on the WDD Youth Contract Provider Closure Checklist.</li></ul>	Per the contract, Section F, may terminate Contract, without cause or without any further liability or cost upon giving the other party at least 30 days advance written notice of the termination.
Youth Provider	Notifies WDD of the decision to end the contract.	Per the contract, Section E38, 30 day written notice must be provided for any reason to terminate contract.
	Submit the Year-End/End of Contract Financial Closeout and all final claims for funds under the contract.	Within ten (10) days following the termination of the contract.

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**Youth Closeout checklist** The WDD Youth Contract Provider Closure Checklist is completed by WDD staff and Youth Providers. The checklist provides information regarding what actions need to be completed when a contract is being terminated and who completes the action.

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**Reimbursement** Youth Provider will only be reimbursed for amounts properly expended prior to the date of termination. Youth Provider will not be reimbursed for costs incurred after the date of termination.

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**Year-End/ End of Contract** Per the Contract, the Youth Provider is required to provide a Year-End/End of Contract closure. It must accurately reflect all actual costs during the term of the contract. In the event the Youth Provider does not submit the closeout within the prescribed time limits, the County reserves the right to unilaterally prepare and finalize the financial report, using the latest paid invoices and WDD payment records.

All excess payments paid to the Youth Provider, but not expended, shall be returned to the County as a result of the Year-End/End of Contract Financial Closeout Report.

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**Disposition of funds** If the Youth Provider is unable to fully expend all funds at the term end date, those funds must be de-obligated.

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## Provider Contract Close-out, Continued

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### **Re-assigning cases to another Youth Provider**

Any active cases where services will need to continue for the youth will be re-assigned to another Youth Provider who will work with the youth. The WDD Youth Staff Analyst will:

- Inform the outgoing Youth Provider:
    - Of the name, phone number and email address of the Youth Provider who will continue to work with the youth,
    - To notify the youth of the reassignment and who he/she should contact for assistance.
  - Notify and provide a list to the new Youth Provider of the name and case number of the youth who will be reassigned to them to continue providing services.
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### **Case transfer to AJCC**

Any cases that closure was completed, and the youth will be entering into the Follow-up phase will be reassigned to the America's Job Center of California (AJCC). The WDD Youth Staff Analyst will notify the Manager/Supervisor of the transfer and Management Information Services (MIS) Administrator will provide a list to the Manager/Supervisor of the names and case number of the youth being transferred.

The AJCC Manager/Supervisor will assign a Workforce Development Specialist (WDS) to the youth who in turn will reach out to the youth to introduce themselves and to provide contact information, if any assistance is needed, and explain the Follow-up process to the youth.

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### **System access**

Thirty days (30) prior to end of the contract, WDD will email the Youth Provider(s) to request the following information:

- Names of all employees
- Email address of all employees

The information is needed to allow the MIS Administrator to remove access to the CalJOBS System.

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## Provider Contract Close-out, Continued

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### **Equipment and property**

Any property, equipment, assets furnished to a Youth Provider by the County and/or purchased by a Youth Provider with funds from WIOA must be used in connection with, and/or support of, WIOA training programs. All purchases must meet State and County procurement guidelines and competitive requirements.

Any property, equipment, or assets furnished to the Youth Provider by the County and/or purchased by a Youth Provider with funds from WIOA shall remain the property of the State of California/San Bernardino County regardless of whether this contract is terminated by either party. Within 30 days of contract termination or expiration, the Youth Provider shall return such property, equipment, or assets to the County in good condition, in a reasonable and expeditious manner, and execute any documents required by the County to ensure the County takes free and clear title to such property, equipment or assets.

Upon termination of the Contract all property purchased, documents, data, studies, reports, and records prepared by the Service Provider under this Contract, and any property transferred from previous programs, including the Workforce Investment Act of 1998 (WIA), shall be returned to the County, or disposed of, according to County's instructions

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### **Monitoring after closing out of contract**

All financial, procurement and program documents must be made available for monitoring for seven (7) years following the financial audit of the contract. If there is a litigation issue(s) or in the process of audit resolution, records must be retained more than seven (7) years after the final audit resolution and final payment of disallowed costs being accepted by the County. In addition, Youth Providers shall maintain records, in their original form, shall be maintained on file to comply with requirements prescribed by WIOA and/or the County with respect to all matters covered in the Contract. Such records shall be retained for a period of seven (7) years after termination of the Contract, and/or until all other pending matters are completed. "Pending Matters" include, but are not limited to, audit, litigation, investigation, or other actions involving records. If this is the case, the Service Provider will retain the records until the resolution of such audit or litigation is completed. Participant records to be maintained by the Service Provider shall include, but are not limited, to the following documents:

- Orientation and complaint and grievance procedures,
  - Training information, schedules, and training evaluations,
  - Eligibility documentation and WIOA required forms,
  - Objective assessment, pre and post-test results,
  - Work experience or On-the-Job Training (OJT) agreement (if applicable),
  - Supportive service(s),
  - Certificate(s) of completion, state certified license, certificate, credential, diploma,
  - Employer's verification of employment, certification of employment with employer, timecards, payroll register, and
  - Documents related to program performance and follow-up services provided.
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